

PR 2008/60WA1 - Addendum to Withdrawal - Income tax: 2009 Willmott Forests Premium Forestry Blend Project

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Addendum

Product Ruling

Income tax: 2009 Willmott Forests Premium Forestry Blend Project

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Product Ruling PR 2008/60W to include two paragraphs providing information about the deductibility of interest and borrowing costs paid by Growers in relation to the Project ruled on in PR 2008/60.

PR 2008/60W is amended as follows:

1. After paragraph 4

Insert:

5. Paragraphs 36 and 37 of PR 2008/60 ruled that Investors can claim deductions for interest incurred on a loan to fund their investment in the Project if the loan was between the Investor and Commonwealth Bank of Australia (CBA). Interest expenses incurred following this withdrawal will continue to be deductible provided the requirements outlined in *Taxation Ruling TR 2004/4 Income Tax: deductions for interest incurred prior to the commencement of, or following the cessation of, relevant income earning activities* are met.

6. On termination, an Investor may have a balance of undeducted borrowing costs. Applying the principles in *FC of T v. Brown* 99 ATC 4600; (1999) 43 ATR 1 and *FC of T v. Jones* 2002 ATC 4135; (2002) 49 ATR 188, the borrowing costs will continue to be deductible.

This Addendum applies on and from 25 May 2011.

Commissioner of Taxation

11 April 2012

ATO references

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